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### INTERVIEW

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Managing Director  
South-Bangla Agriculture and Commerce Bank

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**Staff Reporter:** South Bangla Agriculture and Commerce (SBAC) Bank Limited is one of the new generation commercial banks, got license in early 2013 and started operation in May. The bank under the intense supervision and some watchful steps climbed up to the peak in only a few months period. Credit goes to its Managing Director Md. Rafiqul Islam, who, enjoying a long successful career had joined SBAC to take charge since the inception. The bank has opened 12 branches in a period of only 8 months.

Md. Rafiqul Islam was the Deputy

Managing Director of Al-Arafah Islami Bank prior to join in SBAC Bank. His long journey through his vivid career path includes Jamuna Bank, Prime Bank, National Bank and the then nationalized Pubali Bank at the start. Graph of his success line always moved upward in those institutions.

Md Rafiqul Islam posses a bright academic history. He is an M. A. from University of Dhaka. In the earlier stage, he ranked 7th in Humanities group in HSC examination.

He was born in Sathkhira in 1952. His

father is late Shamsuddin Ahmed and mother is late Shakhina Khatun.

The Economy had this privilege to have an exclusive chat with SBAC Bank Managing Director Md. Rafiqul Islam at his office. Following is a core of the same.

**Question:** What is the overall performance of SBAC as a new generation commercial bank?

**Ans:** As a conventional bank, we have managed to climb up to the highest position ever since the bank was launched back in May 2013. We have made Tk 14

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core gross profit last year which none of the new banks could achieve so far. In the last few months my bank (SBAC) has already been moving through all avenues of a conventional bank like export, import, opening LCs, remittance, both the funded and non-funded business. We have opened 12 branches in the year 2013 and hoping to open 10 more in 2014 which we have already got approval from the central bank. We have four branches in Dhaka and two in Chittagong and this year we will go to Borguna, Sylhet and Bogra as well in the metropolitan cities and rest will be opened in the rural areas.

We are seriously maintaining the Central Bank's compliances of opening branches in the rural area as we believe that taking your bank to a remote location makes a big difference for that particular area. The economy gets a new revival and inhabitants of that locality get a fresh heartbeat.

**Question:** According to the new guideline of Bangladesh Bank-all of the commercial banks have to open one branch in the rural area against one in town. What is your observation of the new rule?

**Ans:** Earlier our banking services were concentrated in the city areas but the new rule has diversified the banks to open outlets in rural areas. As a result, the rural people are gaining huge access in the banking services. They are taking micro-credit, making savings and the economy is prospering ahead, which is the pre-condition for the prosperity of a country.

**Question:** What type of advantages are you enjoying as a newborn bank?

**Ans:** As we know Bangladesh Bank fixed a benchmark of Tk 400 crore paid up capital for a new bank. We think this a plus point for us. This gives a client enough confidence to bank with us. It is very hard to convince a provable customer to be included in the client list of a bank so new. Of course, SBAC's customer growth is very satisfactory.

One advantage is that government institutions are putting money in our bank also. Previously it was not possible due to the Bangladesh Bank rule that they would not deposit money to a brand new bank until it is at least five years old.

We are lacking the facilities the banks with foreign banks are getting. The cost of fund of foreign banks are low, they are getting deposit from all international organizations and businesses. So they very easily could attain 9-10% spread which we cannot do. So we have to be satisfied with a stipulated spread of about 5%. Having a high cost of fund, even this figure is also the best among the contemporary market playing banks.

To be more competitive in the market, the bank did not compromise for any ordinary software to use in our banking system for better security of the customers. We have installed costly Temenos T24, the most sophisticated secured and quickest banking service friendly software in our bank to provide the finest online

banking services to our customers. This is another advantage to bring under consideration to be ahead of other contemporary banks in the race.

**Question:** Would you like to share the future plans of SBAC Bank?

**Ans:** We are very cautious about investing our money as some other banks made a blunder by lending out huge amount of fund. It has to become uncontrollable at a point of time.

We have targeted 10 locations in both urban and rural areas to go closer to the people living in those areas. Within the next six months time, we will offer ATM booths and Debit card services to our customers.

We will throw our attention to the RMG sector, especially for this sector is the lifeline of our exports and economy. So our support will be more focused in that particular area. Also our activities will be increased towards women entrepreneurship and SME loans as well.

There will be also a big attempt of us to turn our bank into Sariah. It is seen that, being Muslim majority country, a big portion of our population prefer to banking with Sariah Banks as this banking system has all the regular characteristics and additionally we get a piece of mind spiritually. On top of that the bank gets extra benefits from the central bank for meeting the compliances set for a Sariah Bank.

